UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
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UNITED STATES OF AMERICA,

v. 15 Cr. 831 (AKH)

JONATHAN HUNTE,

Defendant. Plea

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New York, N.Y.
June 3, 2016
11:32 a.m.

Before:

HON. ALVIN K. HELLERSTEIN,

District Judge

APPEARANCES

PREET BHARARA
United States Attorney for the
Southern District of New York
BY: MICHAEL NEFF, ESQ.
Assistant United States Attorney

FEDERAL DEFENDERS OF NEW YORK INC.
Attorneys for Defendant
BY: CHRISTOPHER A. FLOOD, ESQ.
JENNIFER E. WILLIS, ESQ.

(Case called)

MR. NEFF: Good morning, your Honor. Michael Neff for the government.

MR. FLOOD: Your Honor, good morning. Christopher Flood, Federal Defenders of New York, on behalf of Mr. Jonathan Hunte, who's present at counsel table. With me at counsel table, also an attorney with our office, Ms. Jennifer Willis.

THE COURT: Nice to see you. Good morning.

MR. FLOOD: And in the audience is Mr. Hunte's wife of 23 years, Ms. Alna Hunte.

THE COURT: How do you do.

So Mr. Flood, I see in the papers before me that your client wishes to change his plea from not guilty to guilty, is that correct?

MR. FLOOD: That is correct, yes.

THE COURT: And also I see that there is a plea agreement.

MR. FLOOD: That's correct.

THE COURT: And a consent order that's been given to me for forfeiture on a preliminary basis.

MR. FLOOD: Yes, your Honor.

THE COURT: So should I proceed to swear your client and proceed --

MR. FLOOD: Yes, sir.

THE COURT: -- with an allocution?

MR. FLOOD: We're prepared to go forward.

THE COURT: Mr. Neff?

MR. NEFF: Yes, your Honor.

THE COURT: Mr. Hunte, please stand.

(Defendant sworn)

THE DEPUTY CLERK: Please state your full name for the record.

THE DEFENDANT: Jonathan Hunte.

THE COURT: That's spelled H-U-N-T-E, Mr. Hunte?

THE DEFENDANT: That's correct, your Honor.

THE COURT: How old are you, sir?

THE DEFENDANT: I'm 52 years of age.

THE COURT: Are you married?

THE DEFENDANT: I certainly am.

THE COURT: Is that your wife behind you?

THE DEFENDANT: Yes, it is, sir.

THE COURT: And you're married for 23 years?

THE DEFENDANT: Yes, I have been.

THE COURT: Very nice. I'm celebrating today my 54^{th} anniversary.

THE DEFENDANT: Congratulations.

THE COURT: Celebrated by being in a black robe and working and taking an allocution.

Any children, Mr. Hunte?

THE DEFENDANT: Yes, I have two children with my wife.

THE COURT: I'm sorry?

THE DEFENDANT: I have two children with my wife.

THE COURT: Are they under 21?

THE DEFENDANT: One is under 21, one is over 21.

THE COURT: Is the one who's over 21 living independently?

THE DEFENDANT: No. He lives with me.

THE COURT: Okay. Both live with you?

THE DEFENDANT: Yes.

THE COURT: And where is home?

THE DEFENDANT: In Middle Hope, New York.

THE COURT: Sorry?

THE DEFENDANT: Middle Hope, New York.

THE COURT: Where is Middle Hope?

THE DEFENDANT: It's another part of the town of Newburgh.

THE COURT: In?

THE DEFENDANT: In Orange County.

THE COURT: Orange County. And that's within the Southern District of New York, isn't it, Mr. Flood?

MR. FLOOD: Yes, it is, your Honor.

THE COURT: Are you a citizen of the United States?

THE DEFENDANT: Yes, I am, your Honor.

THE COURT: Tell me about your education, just generally.

THE DEFENDANT: Generally --
THE COURT: How far did you go?
THE DEFENDANT: Up to last year, I finished my first year of law school.
THE COURT: Last year?
THE DEFENDANT: Last year.
THE COURT: Where was it? What school?
THE DEFENDANT: Concord Law School.
THE COURT: Sorry?
THE DEFENDANT: Concord Law School.
THE COURT: Where is Concord Law School?
THE DEFENDANT: It's physically out of California. It's more -- it's done as an online distance course.
THE COURT: Coming into today, have you had any alcohol or medicines or narcotics that could blur your thinking?
THE DEFENDANT: No, your Honor.
THE COURT: Are you clear-minded?
THE DEFENDANT: I am clear-minded today, your Honor.
THE COURT: Have you discussed the case fully with Mr. Flood?
THE DEFENDANT: I have.
THE COURT: Have you told him everything that you know about the case?
THE DEFENDANT: I have.

THE COURT: Are you satisfied with Mr. Flood's services?

THE DEFENDANT: Mr. Flood and his colleague have done an excellent job of assisting me and directing me through the entire process.

THE COURT: He always does, Mr. Hunte. He's one of the abler attorneys that practice in this court.

Sorry to embarrass you, Mr. Flood.

MR. FLOOD: Thank you, your Honor. That's very kind.

THE COURT: Are you offering to plead guilty because you think it's the right thing for you to do?

THE DEFENDANT: Yes, your Honor.

THE COURT: Anybody promise you anything, other than the plea agreement?

THE DEFENDANT: No promises, your Honor.

THE COURT: Anybody twist your arms or intimidate you in any way to cause you to plead guilty?

THE DEFENDANT: No, your Honor.

THE COURT: You're doing it of your own free will, are you?

THE DEFENDANT: Of my own free will, your Honor.

THE COURT: I see a plea agreement, a letter dated May 10, 2016, addressed to Jennifer Willis and Christopher Flood. Have you had a chance to go through that document?

THE DEFENDANT: In its entirety, your Honor.

THE COURT: Is that your signature on the last page?

THE DEFENDANT: Yes, it's my signature, in conjunction with others.

THE COURT: On the next to bottom line, is that your signature?

THE DEFENDANT: Yes, it is.

THE COURT: Which is agreed and consented to?

THE DEFENDANT: Yes, that's my signature, your Honor.

THE COURT: And you signed it today in court, did you?

THE DEFENDANT: Yes, I did, your Honor.

THE COURT: And Ms. Willis, is that your signature underneath?

MS. WILLIS: Yes, it is, your Honor.

THE COURT: I'm returning the original to Mr. Neff and we'll mark a copy Court Exhibit No. 1.

Before I get to this letter, let me make sure that you understand your full rights.

You know, do you not, Mr. Hunte, that you're entitled to a presumption of innocence? Do you?

THE DEFENDANT: Yes, I do.

THE COURT: And that you cannot be found guilty of a crime unless it's charged properly by a grand jury and the government proves the material allegations of the indictment beyond a reasonable doubt and to the satisfaction unanimously of a jury?

THE DEFENDANT: Yes, your Honor.

THE COURT: And do you know as well that you are entitled to defend yourself through a lawyer and if you can't afford a lawyer, the government will provide a lawyer free of charge?

THE DEFENDANT: Yes, your Honor.

THE COURT: And through that lawyer you can confront any witnesses against you, cause them to be cross-examined, call any witness that may have favorable testimony for you to come and, whether or not the witness wants to come, the witness will have to come? You know that?

THE DEFENDANT: Yes, your Honor.

THE COURT: And do you understand as well that you have the right to testify if you wanted to testify, but if you didn't want to, you wouldn't have to, and no inference could be drawn against you for not testifying?

THE DEFENDANT: Yes, your Honor.

THE COURT: But if you plead guilty, you give up those rights to a trial by jury under the Constitution, and you authorize me to find you guilty and punish you by sentence the same way I'm authorized to do so by a jury verdict.

THE DEFENDANT: Yes, your Honor.

THE COURT: So Mr. Neff, what are the charges?

MR. NEFF: Excuse me, your Honor? I apologize. I didn't hear your question.

THE COURT: What are the charges?

MR. NEFF: Oh. There are three counts in the indictment as to which the defendant --

THE COURT: Is Mr. Hunte pleading to all three?

MR. NEFF: No, your Honor. He's pleading to two counts, mail fraud and wire fraud, and in return, the government expects to dismiss the aggravated identity theft count.

THE COURT: Okay. So I'll be allocuting him on the mail fraud and the wire fraud.

MR. NEFF: That's correct, your Honor.

THE COURT: And these are Counts?

MR. NEFF: One and Two, your Honor, I believe.

They are One and Two.

THE COURT: One and Two. What is Count One? Summarize Count One.

MR. NEFF: Yes, your Honor. Count One charges mail fraud. Would the Court like the elements or --

THE COURT: Yes.

MR. NEFF: The elements are: first, that the defendant knowingly devised a scheme to defraud or to obtain money or property by material false or fraudulent pretenses, representations, or promises; second, that the defendant acted with the intent to defraud; and third, in advancing or carrying out the scheme, the defendant used the mails or caused the mails to be used.

Should I go on to Count Two, wire fraud?

THE COURT: Well, before you do, with Count One, what was the scheme and what is alleged to have happened?

MR. NEFF: The scheme is essentially the same as to both counts. The scheme is that the defendant, among other things, used the license and certification of another individual in order to write automobile insurance and, in so doing, made misrepresentations as to his own permission and authority to write such applications, as well as his identity, and was able through this scheme to make over a million dollars, as reflected in the indictment and in the consent preliminary order of forfeiture, and --

THE COURT: Did he in fact provide insurance?

MR. NEFF: Yes, he did. And in furtherance of the scheme, he used both the mails and the wire, interstate wires.

THE COURT: So what was the fraud?

MR. NEFF: The fraud --

THE COURT: Who was defrauded?

MR. NEFF: The insurance companies that in fact provided insurance would not have done so had they known that the individual submitting the applications and preparing them, the defendant, was not licensed or certified to do so. Your Honor, he had been decertified in approximately 2001 to write such applications.

THE COURT: And what was the damage to the insurance companies?

MR. NEFF: They would not have issued insurance had they known that this individual was not licensed or certified to do so.

THE COURT: Were premiums diverted?

MR. NEFF: Excuse me, your Honor?

THE COURT: Were premiums diverted?

MR. NEFF: The defendant made a commission personally on each application, so he was able to profit, basically to reroute money from the insurance companies to himself.

THE COURT: And that's the $1 million?

MR. NEFF: I am not certain off the top of my head of the exact number. I can follow up if the Court would like. But I know that through the scheme, generally, the defendant made approximately $1.25 million to which he was not properly entitled.

THE COURT: Is there going to be restitution in this case?

MR. NEFF: Pursuant to the plea agreement, the parties have agreed to restitution in an amount to be ordered by the Court.

THE COURT: Amount to be?

MR. NEFF: In an amount to be ordered by the Court.

THE COURT: Well, how would I find that amount, and what's the category I would have to find?

MR. NEFF: I think that amount remains to be discussed by the parties, and in terms of the category, it would be in accordance with 18 U.S.C. 3663, 3663(a) and 3664.

THE COURT: That doesn't tell me what the nature of the restitution would be. If certificates of insurance were issued that should not have been issued, presumably the losses could be the restitution. The premiums could be the restitution. But the insurance companies got the benefit of the premiums. So I don't have a clue what restitution might be.

MR. NEFF: And my understanding, your Honor, is that there are multiple ways one could formulate a plea agreement, and this formulation where forfeiture is agreed between the parties and restitution remains to be determined is one common way of proceeding at this point in the case.

THE COURT: Do you have any comment on that, Mr. Flood?

MR. FLOOD: Mr. Neff is not incorrect, but the Court --

THE COURT: Is not incorrect, does that mean he's correct?

MR. FLOOD: Well, the Court has zeroed in on really the problem. We agree to forfeiture, of course, it's statutorily required, and it is clawing back every dime

Mr. Hunte ever made over the course of the last decade or so in this industry, but in terms of the equities, the insurance companies made profit and everyone who needed insurance got it. So finding what restitution is appropriate is extremely difficult, and that's why we weren't able to quite settle on a figure between the parties.

THE COURT: I'm pushing you at this point because I'm not clear exactly what the guilt is. Is it mail fraud or is it a violation of a licensing statute, which will be a state law problem and not mine?

MR. FLOOD: So there were misrepresentations about identity that enabled Mr. Hunte to be able to engage in these transactions. And that is fraudulent. And he did obtain benefits, and those misrepresentations were intentional, so it's our view that it does violate the statute. That is sufficient, on all the elements, and it covers it. Now is it also --

THE COURT: Even though the people who wanted insurance obtained insurance?

MR. FLOOD: Yes.

THE COURT: And insurance that presumably was no less expensive than other insurance?

MR. FLOOD: Right.

THE COURT: And no less embracive than other insurance. The insurance companies are in the business of writing insurance.

MR. FLOOD: Right. Now your Honor --

THE COURT: Why isn't the crime a matter of state law and not federal law?

MR. FLOOD: That's a great question. It could be.

THE COURT: That's why I'm paid, to ask good questions.

MR. FLOOD: But I can tell you this, in terms of the scope of cases that ought to be prosecuted, we certainly made an application to the United States Attorney's Office to defer prosecution on this case. We were not successful. Simply because the scope of the harm just didn't seem to us that great, however you slice it. But here we are.

And I do want to distinguish these discussions from Mr. Hunte's acceptance of responsibility for his role in this conduct.

THE COURT: You want to?

MR. FLOOD: I want to sort of wall off these discussions from Mr. Hunte's acceptance of responsibility for his role here, and I think the Court understands that. As much as this --

THE COURT: You're responding to my questions, Mr. Flood. You're not doing anything other than that.

MR. FLOOD: Of course.

THE COURT: I have some misgivings about this.

MR. FLOOD: As we have at the back table throughout our representation of him over the last year.

THE COURT: Let's proceed. Keep going. What are the penalties? What are the statutory penalties for the mail fraud and the wire fraud?

MR. NEFF: Your Honor, the penalties are identical for both counts. A maximum term of imprisonment of 20 years, a maximum term of supervised release of three years, a maximum fine of the greatest of 250,000, twice the pecuniary gain, or twice the pecuniary loss, and a $100 mandatory special assessment for each count.

THE COURT: Mr. Hunte, are you aware of the crimes that are charged as described by Mr. Neff?

THE DEFENDANT: Yes, I am, your Honor.

THE COURT: Do you understand them?

THE DEFENDANT: I do.

THE COURT: Do you need any further explanation about the disclosures in the indictment?

THE DEFENDANT: No, your Honor.

THE COURT: And are you aware of the statutory punishments?

THE DEFENDANT: Yes, your Honor.

THE COURT: And with regard to supervised release, that comes after a term of custody and it's subject to conditions which, if violated, could lead to hearings and further terms of imprisonment, if you did violate. Do you understand that?

THE DEFENDANT: Yes, your Honor.

THE COURT: Let's go over the plea agreement.

Page 2 provides that you agree to make restitution as the Court orders. You're aware of that?

THE DEFENDANT: Yes, your Honor.

THE COURT: Do you know there is a forfeiture and you may be obligated to pay additional amounts of restitution if the forfeiture amount is not applied to the restitution? You're aware of that?

THE DEFENDANT: Yes, your Honor.

THE COURT: You're agreeing to a loss calculation which could cause an upward adjustment of your sentence, described in the bottom of page 2, of $550,000 to $1,500,000. You're agreeing to a 14-level adjustment. Who lost money?

MR. NEFF: Your Honor, under Section 2B1.1, the Sentencing Guidelines provide that for a mail or wire fraud, among other types of fraud, there are multiple possible ways of calculating loss. This is a term that I can assure the Court has been heavily negotiated and it's proper in fact under --

THE COURT: It hasn't been negotiated with me, and I'm the only person in this room who has to give a sentence.

MR. NEFF: Understood, your Honor. I don't have the book with me, but I do know that --

THE COURT: I'll give you a copy. That's not the problem. It seems to me that nobody lost money.

MR. NEFF: May I take a quick look at the book, your Honor? Because there is a provision that was discussed and reviewed. I apologize for not having my copy. Thank you.

THE COURT: You know about this, right, Mr. Flood?

MR. FLOOD: I do, your Honor.

THE COURT: Talk to me.

MR. FLOOD: So the issue here, your Honor, is that the government's view -- and Mr. Neff is correct when he says it was heavily --

THE COURT: Mr. Hunte, if you want to sit down for a while, you can.

THE DEFENDANT: Thank you, your Honor.

MR. FLOOD: This guideline calculation under offense level, paragraph A, on page 2 was -- I will understate the case when I say it was a heated area of discussion. We --

THE COURT: What was your position?

MR. FLOOD: We thought these calculations were highly exaggerated. But we do --

THE COURT: Or relevant.

MR. FLOOD: That's another point. I would agree. But by saying this, by responding to the Court's questions, we are not backing away from our signature and agreement.

THE COURT: Mr. Flood, you're an officer of the court.

I am troubled by this proceeding, and you're trying to help me.

MR. FLOOD: Understood, and I want the government to understand this as well. The concern we had here -- and I want the Court to understand the posture of these negotiations. Count Three is a mandatory minimum --

THE COURT: I know. You're trapped.

MR. FLOOD: We're trapped. And so it would divest the Court of any discretion at sentencing because of the 1028A count. And so the realities, which the Court is very well aware of, of the give-and-take in the rough-and-tumble world --

THE COURT: Let me cut through this, Mr. Flood.

MR. FLOOD: Yes.

THE COURT: I have not studied this. And I certainly do not want to muck up your negotiations by getting Mr. Hunte caught up in another charge bearing mandatory consecutive punishment.

MR. FLOOD: Of course. But I'll say this, your Honor --

THE COURT: But it doesn't seem to me that what he did, or what he allegedly did, had to do with stealing identities.

MR. FLOOD: Well, it involved this gentleman, Dwight Campbell. As the Court will see in the forfeiture order, Mr. Campbell's name --

THE COURT: He pretended to be somebody else?

MR. FLOOD: He used Mr. Campbell's license, and that qualifies under 1028A. And so there we are. We had very little leverage, and the figure for the 14-point jump on 2B1.1 represents every dime that the government was able to calculate that Mr. Hunte received in commissions for the use of that license over the course of basically his career in this field. That is calculable as a loss, as represented to us during the negotiations. That was based on a misrepresentation that would otherwise not have been paid out.

THE COURT: So what he did was improper.

MR. FLOOD: Yes.

THE COURT: Therefore, the premiums that he earned, he was not entitled to them.

MR. FLOOD: Yes.

THE COURT: And the total of the premiums was about a million two.

MR. FLOOD: Not the premiums, the commissions.

THE COURT: The commissions on those premiums amounted, over the ten years, to a million two.

MR. FLOOD: Roughly, yes.

THE COURT: All right. I don't need to ask any more questions. I think I understand the position now from both of you.

MR. FLOOD: Yes.

THE COURT: So let me ask you to stand up again, Mr. Hunte. Sorry for making you sit down and stand up so much.

This all calculates to a sentencing range of 51 to 63 months. You're aware of how this is calculated and how your attorney and the government came to this number?

THE DEFENDANT: Yes, your Honor, I'm aware of the calculations.

THE COURT: Well, do you understand that in addition to a fine, there may be restitution, and there will be forfeiture?

THE DEFENDANT: Yes, your Honor.

THE COURT: Do you also understand that I'm not bound by these calculations, I have to come to my own determination of what is a just punishment with respect to various criteria that apply to me and that are found in Section 3553(a) of Title 18? It's possible that what I do in sentencing could disappoint you.

THE DEFENDANT: Yes, your Honor.

THE COURT: It could be more or it could be less than this, but it doesn't have to be this range. Do you understand that?

THE DEFENDANT: Yes, your Honor.

THE COURT: And if you are disappointed, that's not a basis for you to withdraw from this plea agreement. Once you make the plea and I accept it, you're bound. Do you understand that?

THE DEFENDANT: Yes, your Honor.

THE COURT: You've also agreed that you will not ask for a downward departure and you understand the government has agreed that it will not ask for an upward departure, right?

THE DEFENDANT: Yes, your Honor.

THE COURT: And if I sentence you within the range that's provided here or the lowest, you will not appeal or ask for a review in postconviction remedies under the habeas corpus section of Title 28?

THE DEFENDANT: Yes, your Honor.

THE COURT: And so the government has agreed that if I sentence you within the range or above, it will not ask for an appeal.

THE DEFENDANT: Yes, your Honor.

THE COURT: However, I could sentence you either below or above, and you understand that.

THE DEFENDANT: Yes, your Honor.

THE COURT: And you have not waived your argument to try to persuade me yourself or through counsel to sentence you below the range, right?

THE DEFENDANT: Yes.

THE COURT: On page 5 there's a sentence where you say you acknowledge that you've accepted this agreement and decided to plead guilty because you're in fact guilty. You're aware of that?

THE DEFENDANT: Yes, your Honor.

THE COURT: And you're offering to plead guilty because you believe you are in fact guilty of Counts One and Two?

THE DEFENDANT: Yes, your Honor.

THE COURT: Is there anything else in the letter agreement that you want me to explain, or ask me about?

THE DEFENDANT: No, your Honor.

THE COURT: Mr. Flood?

MR. FLOOD: I don't believe so, your Honor.

THE COURT: Mr. Neff?

MR. NEFF: No, your Honor.

THE COURT: How would you prove the case, Mr. Neff?

MR. NEFF: Our evidence would include documentary evidence, including checks, insurance company records, automobile insurance applications, it would include testimony from various people including individuals at the licensing exam who we expect would testify that the defendant presented as though he were Dwight Campbell and took the exam for purposes of renewing the license of Dwight Campbell.

THE COURT: Is there such a person as Dwight Campbell?

MR. NEFF: There is, and we expect he would testify if this were to go to trial.

THE COURT: Was there a relationship between Mr. Hunte and Mr. Campbell?

MR. NEFF: My understanding is there was, your Honor.

THE COURT: Is there any possible defense that Mr. Campbell consented to this?

MR. NEFF: My understanding is that while he may have consented for a very brief period, that period was in approximately 2001, and the period from 2002 to 2014, there was, my understanding, no dispute that there was clearly not consent, and I expect he would testify to that effect.

THE COURT: Did Mr. Campbell know that Mr. Hunte was continuing in this scheme to pretend he was Mr. Campbell?

MR. NEFF: I am not certain. I know that on occasion Mr. Campbell had to correct things with the IRS, income that was improperly attributed to him.

THE COURT: That was my next question, whether he got a share of the premiums or commissions that Mr. Hunte received.

MR. NEFF: My understanding is he did not get 1 cent.

THE COURT: Okay. Venue, where is that? Where did this occur?

MR. NEFF: It occurred in the Southern District of New York. I expect that the defendant will acknowledge that this occurred in the Bronx.

THE COURT: Is that correct?

MR. FLOOD: That's correct.

THE COURT: Mr. Flood, have you reviewed these proofs?

MR. FLOOD: Yes.

THE COURT: Do you believe the government can make out a prima facie case on Counts One and Two?

MR. FLOOD: I do.

THE DEFENDANT: Do you recommend that I accept Mr. Hunte's plea?

MR. FLOOD: I do, your Honor.

THE COURT: Mr. Hunte, are you offering to plead guilty because you believe that you are in fact guilty?

THE DEFENDANT: Yes, your Honor.

THE COURT: Tell me what you did.

Do you want to read from a statement?

THE DEFENDANT: Yes, I would like to.

THE COURT: You prepared it with Mr. Flood and Ms. Willis?

THE DEFENDANT: Yes, your Honor.

THE COURT: But you've gone over it and you adopt it as your own.

THE DEFENDANT: Yes, I adopt it as my own.

THE COURT: Okay. It will be easier to hear if you pick it up and hold it while you read it.

THE DEFENDANT: Okay. Your Honor, from the period of 2002 through 2014 --

THE COURT: Just a minute.

THE DEFENDANT: I'm sorry?

THE COURT: I want the attorneys to pay attention.

THE DEFENDANT: From the period of 2002 through 2014, in the Bronx, I intentionally made misrepresentations. These misrepresentations allowed me to obtain money that I would not otherwise have been entitled to. As part of this misrepresentation, I placed and received things through the post office and I also sent and received messages through wire communications. I know what I did was wrong, and I'm very sorry.

THE COURT: What was the nature of the miscommunication, or the false communication?

THE DEFENDANT: I suppose the communication part was the use of the telephone.

THE COURT: I'd like to inquire --

MR. FLOOD: I can clarify the Court's question. I don't think he understood it.

(Defense counsel conferring with defendant)

THE DEFENDANT: May I have the question again, your Honor?

THE COURT: What was the nature of the false communication? What was false about it?

THE DEFENDANT: That I used the certification of my friend to obtain insurance policies.

THE COURT: You pretended that you were he?

THE DEFENDANT: For the purpose of writing the policies.

THE COURT: And he was licensed, was he?

THE DEFENDANT: We both were licensed, your Honor, yes. He was licensed and I was licensed.

THE COURT: But your license was taken away?

THE DEFENDANT: No, your Honor. I just wasn't certified with that company, but I continued to write insurance policies with other companies, just not that company.

MR. FLOOD: I can clarify this, your Honor.

THE COURT: Yes.

MR. FLOOD: There were companies that Mr. Hunte was able to write policies with, call that category A, but for category B, he used Dwight Campbell's license. I'll just use the word license.

THE COURT: The company certified Mr. Campbell as a licensed agent.

MR. FLOOD: Yes.

THE COURT: And did not certify Mr. Hunte as a licensed agent?

MR. FLOOD: Correct.

THE COURT: So he didn't have any power to bind that category of company.

MR. FLOOD: Correct.

THE COURT: But as an agent for others, he did have the power to bind them.

MR. FLOOD: Correct.

THE COURT: So he could write insurance policies and the insurer would be obligated if he were to be certified, but if he were not certified, he would not be an agent and the policies would not be binding.

MR. FLOOD: I believe that's exactly correct.

THE COURT: Did the companies through which you were not certified know you were writing insurance for them?

THE DEFENDANT: Did they know that me, John Hunte?

THE COURT: Yes.

THE DEFENDANT: No, your Honor.

THE COURT: That was the fraud, right?

THE DEFENDANT: Yes, your Honor.

THE COURT: And the total amount of commissions you got from these companies that had not certified you but which were obligated on insurance written by you came to $1.2 million over the course of years, is that right?

THE DEFENDANT: That's an exaggerated approximation, your Honor, but yes.

THE COURT: What do you think it was?

THE DEFENDANT: A substantially lower figure.

THE COURT: Like how much?

THE DEFENDANT: I'm not certain, your Honor.

THE COURT: You don't know.

THE DEFENDANT: I'm not certain.

THE COURT: Mr. Flood, have you added it up?

MR. FLOOD: That is consistent with our calculation.

THE COURT: 1.25 million, right?

MR. FLOOD: Yes.

THE COURT: Anything I should ask in addition to what I've asked, Mr. Neff?

MR. NEFF: No, your Honor.

THE COURT: Mr. Flood?

MR. FLOOD: No, your Honor.

THE COURT: Ms. Willis?

MS. WILLIS: No, your Honor.

THE COURT: Mr. Hunte, I find you guilty of Counts One and Two of the indictment. I instruct the clerk to enter your plea of guilty to those two counts. I find that your plea is voluntary, that you understand the consequences, and that there is an independent basis in fact to sustain the plea.

Sentencing will occur?

THE DEPUTY CLERK: September 15th at 11.

THE COURT: I order that the probation officer give Mr. Flood reasonable notice of any interview of Mr. Hunte so he will have the opportunity to be present. I order Mr. Neff to purchase a copy of the transcript and to furnish it, because it will ease the job of the probation officer, to the probation officer before any interview.

Shall I sign the consent order now, Mr. Neff?

MR. NEFF: Yes, your Honor. Thank you.

THE COURT: It is signed. Ms. Jones will file it.

MR. FLOOD: Your Honor, may we be heard on that. That is to be entered as it's been signed. We would ask that interest be waived on that order.

THE COURT: Any objection?

MR. NEFF: No objection, your Honor.

THE COURT: So ordered.

MR. FLOOD: Thank you. Separately, I have one other issue to raise if the Court --

THE COURT: The forfeited money will not be delivered at this point, is that right?

MR. FLOOD: That's correct. We'll be needing a payment plan with conditions.

THE COURT: Is that in the agreement?

MR. FLOOD: It is not. There is no condition about that in the agreement.

THE COURT: On page 1, I'll put in today's date, June 3, 2016.

So Mr. Hunte, this document is a money judgment against you in the amount of $1,250,000. Are you aware of that?

THE DEFENDANT: Yes, your Honor.

THE COURT: Okay. I'm returning it to Ms. Jones so she can file it. I don't have any further questions, unless you want me to ask anything further.

MR. NEFF: No, your Honor.

THE COURT: Thank you, Mr. Flood; thank you, Mr. Hunte; thank you, Ms. Willis.

MR. FLOOD: We have one other issue to raise, your Honor, just in regard to Mr. Hunte's conditions of release.

THE COURT: Yes.

MR. FLOOD: And I apologize for breaking the proceedings. Earlier I shared an email with Mr. Neff from Mr. Hunte's pretrial supervisor consenting to removing the condition of random drug testing for Mr. Hunte. He's been on supervision for approximately a year now. He's met every one of his conditions, he's been in scrupulous compliance with all of his conditions, but he's made every one of his tests and they've all been negative, and it's our understanding that she brought up the idea of striking that condition of random drug testing with Mr. Hunte.

THE COURT: Does the government object?

MR. NEFF: The government has no objection.

THE COURT: So ordered.

MR. FLOOD: Thank you very much, your Honor. With that, we have nothing further.

THE COURT: Mr. Neff?

MR. NEFF: Nothing further. Thank you.

THE COURT: Thank you very much.

ALL COUNSEL: Thank you, your Honor. (Adjourned)